

FISCAL NOTE

HB 236 - SB 615

March 22, 2007

SUMMARY OF BILL: Permits HOPE scholarship recipients who have been in college less than four years, but whose scholarships have been terminated because they have attempted 120 semester hours, to retain the scholarship until they have completed four years of college.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$1,900,000 in FY07-08 and by \$2,090,000 in FY08-09.

Assumptions:

- According to the Tennessee Student Assistance Corporation (TSAC), approximately 500 students had HOPE scholarships terminated for the 2006-2007 academic year because they had attempted more aggressive course loads. Such students had attempted 120 or more semester hours prior to the completion of four full academic years.
- 500 students is representative of the number of students that this legislation will impact in FY07-08.
- 100% receive maximum scholarship award of \$3,800 per year.
- Expenditures of lottery proceeds are estimated to increase by \$1,900,000 in FY07-08 (500 students X \$3,800 award = \$1,900,000).
- According to TSAC, the number of students will increase by 10% (or by 50 students) in FY08-09.
- Expenditures of lottery proceeds are estimated to increase by \$2,090,000 in FY08-09 (550 students X \$3,800 award = \$2,090,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director